



COMMONWEALTH of VIRGINIA

DAVID A. VON MOLL, CPA
COMPTROLLER

Office of the Comptroller

P. O. BOX 1971
RICHMOND, VIRGINIA 23218-1971

December 4, 2007

MEMORANDUM

TO: Fiscal Officers and 1099 Distribution List

FROM: Sharon H. Lawrence, Director
Financial Reporting

SUBJECT: Information Returns Reporting Schedule for Calendar Year/Tax Year 2007

The Calendar Year/Tax Year 2007 year-end information returns processing schedule is attached. All agencies should adhere to the year-end IRS processing schedule to ensure that all information returns are filed timely. Agencies not participating in the Department of Accounts' (DOA) 1099 Adjustment and Reporting System (ARS) should disregard the ARS references in this memorandum and in the attachment.

For agencies participating in ARS, information returns data is available in three formats: paper copy reports, an Advanced Micro Solutions, Inc. (AMS) download file, and an ASCII flat file format. The latter two options are accessible through FINDS.

The first set of ARS reports contains the 1099 reportable transactions and adjustments processed from January 1, 2007 through November 30, 2007. These reports were posted on Reportline on Monday, December 3, 2007. Agencies should review these reports for accuracy and completeness. Adjustments to this information should be processed through the ARS by Friday, December 28, 2007.

The second set of ARS reports will be posted on Reportline on Saturday, December 29, 2007. Agencies will have until close of business Tuesday, January 15, 2008, to process final adjustments through the ARS for Calendar Year/Tax Year 2007.

The final set of ARS reports will be posted on Reportline on Wednesday, January 16, 2008. Also, on Wednesday, January 16, 2008, the final set of 1099 ARS files will be available for downloading to your information returns software through FINDS. Downloading requirements vary with the software. See CAPP Topic 70805, *1099 Adjustment and Reporting System (ARS)*.

DOA recommends the following procedures when preparing IRS 1099 Information Returns:

- Review the latest edition of the following CAPP topics for the IRS requirements for information returns compliance. CAPP Topics 20320 and 70805 will be updated and available on the DOA website in December 2007.
 - CAPP Topic 20319, *Electronic Federal Tax Payments Processing*
 - CAPP Topic 20320, *Information Returns Reporting*
 - CAPP Topic 70805, *1099 Adjustment and Reporting System (ARS)*
- Issue all information returns to the recipients by January 31, 2008, for Calendar Year/Tax Year 2007.
- File magnetic media or paper information returns using the required transmittal documents with the IRS by February 28, 2008 for the Calendar Year/Tax Year 2007, or file electronically with the IRS using the FIRE (Filing Information Returns Electronically) system by March 31, 2008.
- Whenever 250 or more of a particular information return type are issued, agencies must submit those returns to the IRS on magnetic media or electronically (not paper). Agencies unable to comply with this requirement should contact the IRS immediately and obtain a waiver. Be sure to obtain and review the detailed requirements in **IRS Publication 1220** (Rev. 6-2007), *Specifications for Filing Forms 1098, 1099, 5498, and W-2G Electronically or Magnetically*.
- To report backup withholding taxes to the IRS, file **Form 945**, *Annual Return of Withheld Federal Income Tax* by January 31, 2008, for Calendar Year/Tax Year 2007. Refer to CAPP Topic 20319, *Electronic Federal Tax Payment Processing*, for further guidance.
- To report taxable payments made to foreign citizens, file the **Form 1042-S**, *Foreign Person's U. S. Source Income Subject to Withholding* with the recipient by March 17, 2008. Also, by March 17, 2008, file with the IRS, the **Form 1042**, *Annual Withholding Tax Return for U. S. Source Income of Foreign Persons*, the **Forms 1042-S**, and the **Form 1042-T**, *Annual Summary and Transmittal of Forms 1042-S*.

Any questions should be directed to Nick Whitby via e-mail at Nick.Whitby@doa.virginia.gov or at (804) 371-7808.

Attachment

Selected 2007 IRS Due Dates and Information Returns Year-End Processing Schedule		
<u>IRS Due Dates</u>	<u>Report Period</u>	<u>Due Dates</u>
1099 Information Returns to Recipients	Jan. – Dec. 2007	January 31, 2008
Form 945 , <i>Annual Return of Withheld Federal Income Tax</i>	Jan. – Dec. 2007	January 31, 2008
1099 Information Returns to IRS (Mag. Media or Paper)	Jan. – Dec. 2007	February 28, 2008
1099 Information Returns to IRS (Electronic Filing)	Jan. – Dec. 2007	March 31, 2008
Forms 1042, 1042-T & 1042-S to the IRS and recipients	Jan. – Dec. 2007	March 17, 2008
<u>First Set of ARS Reports</u>	<u>Report Period</u>	<u>Distribution Dates</u>
ACTR3005 , <i>1099 Reportable Transactions</i>	Jan. - Nov. 2007	December 3, 2007
ACTR3010 , <i>Detailed 1099 Reportable Trans. with Adj.</i>	Jan. - Nov. 2007	December 3, 2007
ACTR3015 , <i>Summarized 1099 Reportable Trans. with Adj.</i>	Jan. - Nov. 2007	December 3, 2007
<u>Adjustments to First Set of ARS Reports</u>	<u>Report Period</u>	<u>Processing Dates</u>
Review First Set of ARS Reports & Process Adjustments	Jan. - Nov. 2007	Dec. 3 - Dec. 28
<u>Second Set of ARS Reports</u>	<u>Report Period</u>	<u>Distribution Dates</u>
ACTR3005 , <i>1099 Reportable Transactions</i>	Jan. - Dec. 2007	December 29, 2007
ACTR3010 , <i>Detailed 1099 Reportable Trans. with Adj.</i>	Jan. - Dec. 2007	December 29, 2007
ACTR3015 , <i>Summary 1099 Reportable Trans. with Adj.</i>	Jan. - Dec. 2007	December 29, 2007
<u>Adjustments to Second Set of ARS Reports</u>	<u>Report Period</u>	<u>Processing Dates</u>
Review 2nd Set of ARS Reports & Process Adjustments	Jan. - Dec. 2007	Dec 29 - Jan. 15
<u>Final Set of ARS Reports and Download Files</u>	<u>Report Period</u>	<u>Distribution Dates</u>
ACTR3005 , <i>1099 Reportable Transactions</i>	Jan. - Dec. 2007	January 16, 2008
ACTR3010 , <i>Detailed 1099 Reportable Trans. with Adj.</i>	Jan. - Dec. 2007	January 16, 2008
ACTR3015 , <i>Summarized 1099 Reportable Trans. with Adj.</i>	Jan. - Dec. 2007	January 16, 2008
ACTB3035 , <i>Vendor Payments Subject to Information Returns Reporting</i>	Jan. - Dec. 2007	January 16, 2008
ACTB3040 , <i>Vendor Payments Subject to Information Returns Reporting by State</i>	Jan. - Dec. 2007	January 16, 2008
ACTB3045 , <i>Backup Withholding Payments by Agency</i>	Jan. - Dec. 2007	January 16, 2008
FINDS - 1099 Files Available for Downloading	Jan. - Dec. 2007	January 16, 2008

ATTACHMENT